



STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
DIVISION OF CONSUMER SERVICES

P.O. Box 41200 • Olympia, Washington 98504-1200
Telephone (360) 902-8703 • TDD (360) 664-8126 • FAX (360) 664-2258 • <http://www.dfi.wa.gov/cs>

Thank you for your interest in the Mortgage Industry in Washington:

We are pleased to provide you with the accompanying mortgage broker license application materials. Please read the instructions before attempting to fill out the application form. Incomplete or improper applications cause delay in processing, and can ultimately result in a license application being denied.

You must provide all of the attachments. If an attachment or addendum does not apply to your situation, note on the addendum that it does not apply **and why**.

Mortgage brokers are expected to perform at a high level. We hold licensees to high standards of honesty and professionalism. These standards should be reflected in applications and updates for licensing and throughout your career.

Please don't hesitate to contact us for assistance after you've read the instructions. You may reach us via phone at (360) 902-8756 or e-mail DCS@dfi.wa.gov. Or feel free to request an appointment for a pre-filing conference at our offices in Tumwater, Washington.

Thank you,

The License Review Staff



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APPLICANT ADVISORY – A POOR CREDIT HISTORY MAY LEAD TO DENIAL

Dear License Applicant:

You are likely reading this message because you are interested in becoming licensed in Washington State as a Mortgage Broker.

Before you take the time to fill out an application (it is not a simple process), give the following serious consideration.

IF YOU HAVE A POOR CREDIT HISTORY – LATE PAYMENTS, COLLECTIONS, BANKRUPTCY, JUDGMENTS, HIGH DEBT TO INCOME RATIO, ETC. – YOUR APPLICATION MAY BE SUBJECT TO DENIAL.

The Department of Financial Institutions does not intend to issue licenses to people who may be handling consumer's funds and financial information when the potential licensee has credit problems or a history of poor money management.

You may want to improve your credit record before you apply. The time and money spent improving your credit will be well worth it and may possibly save you from a license denial. Often a denial in one jurisdiction will place license applications in other states at risk.

Sincerely,

The Management & Staff
The Division of Consumer Services

WASHINGTON MORTGAGE BROKER LICENSE APPLICATION

READ INSTRUCTIONS BEFORE BEGINNING!

IMPORTANT: The filing or submission of an application does not grant you authority to begin holding yourself out as a mortgage broker in the State of Washington {see WAC 208-660-010 (21) for definition of "holding oneself out"}. You may begin holding yourself out as a mortgage broker only upon receipt of an original license certificate.

Note: The instructions and information contained herein are an integral part of the application. Please read them carefully, and follow the directions explicitly. Failure to follow the instructions completely may result in a rejection of your application as incomplete or delays in processing and issuance of a license. **We suggest you make a blank copy of all forms in this package before you begin. Please type or print clearly in dark ink.**

AVAILABLE ASSISTANCE

Please note that application packages are considered incomplete without **all** attachments. **If you need to request these forms in an alternate format (such as Braille, larger print, etc.),** please contact our offices. If you have any questions or require assistance in completing the enclosed application packet, you may request a pre-filing appointment with one of our licensing staff. Please mail your completed application package, together with all attachments, and a check for the appropriate deposit amount payable to the "Washington State Treasurer" to:

Department of Financial Institutions, Division of Consumer Services
Post Office Box 41200
Olympia, WA 98504-1200
Visit our web site at www.dfi.wa.gov/cs e-mail: DCS@dfi.wa.gov
Phone: (360) 902-8703, Fax: (360) 664-2258, TDD: (360) 664-8126

REFERENCE PHONE NUMBERS

Office of the Attorney General	(360) 753-6200	Department of Licensing	(360) 902-3600
Secretary of State, Corporations Division	(360) 753-7115	Master Business Licensing	(360) 664-1400
WA Assoc. of Mortgage Brokers	(425) 643-0757	Insurance Commissioner	(360) 753-7300

WASHINGTON STATUTES, RULES, OPINIONS AND POLICY

The Designated Broker, owners, and officers of the applicant company, are expected to be well versed in all sections of the Mortgage Broker Practices Act, and the rules and opinions thereof. A copy of RCW 19.146, the Act, and WAC 208-660, the rules, are enclosed for your benefit. The rules are periodically revised, and each licensee will be informed of their availability when finalized. Additional copies of the Act and the rules (as well as other Washington State laws) may be obtained by contacting the Office of the Code Reviser at (360) 753-6804, or review on the internet:

RCWs: <http://leginfo.leg.wa.gov/www/rcw.htm> WACs: <http://www.mrsc.org/wac.htm>

A selection of important interpretive letters, memoranda, and alerts is enclosed for your reference. You may fax requests for copies of an opinion or policy statement to the Division of Consumer Services at (360) 664-2258. You may also request an opinion or clarification of a specific issue by writing the Division.

BRANCH ONLY APPLICATIONS

If this application is to add a branch office to the currently licensed company, you may submit only:

- Company Information Form, signed on pages 1 and 5
- Addenda: B, C, M, N, O, Q, S, T

MORTGAGE BROKER COMPANY INFORMATION FORM

COMPANY NAME _____
TRADE NAME or DBA _____
PHYSICAL ADDRESS _____
CITY/COUNTY _____
STATE/ZIP _____
MAILING ADDRESS _____
CITY/COUNTY _____
STATE/ZIP _____
TELEPHONE NUMBER () _____ FAX() _____
E-MAIL _____
BUSINESS ACTIVITIES ☐ ORIGATION ☐ PROCESSING
BUSINESS STRUCTURE ☐ CORPORATION ☐ PROPRIETORSHIP ☐ PARTNERSHIP ☐ LLC
☐ OTHER _____
FEDERAL TAX IDENTIFICATION NUMBER _____
WASHINGTON STATE UNIFIED BUSINESS ID NUMBER _____

PROVIDE THE FOLLOWING INFORMATION ONLY FOR **BRANCH OFFICE** APPLICATIONS:

NAME ("same" if applicable) _____
PHYSICAL ADDRESS _____
MAILING ADDRESS _____
CITY/COUNTY _____
STATE/ZIP _____
TELEPHONE NUMBER () _____ FAX () _____
E-MAIL _____
BUSINESS ACTIVITIES ☐ ORIGATION ☐ PROCESSING

AUTHORIZATION FOR VERIFICATION FORM - COMPANY

TO WHOM IT MAY CONCERN:

I, the undersigned official, of the company noted, hereby authorize and request you to provide the Department of Financial Institutions of the State of Washington, any and all information and documentation that they request for the purpose of verifying information provided in conjunction with an application for a mortgage broker license, or for the purpose of conducting an investigation in accordance with chapter 19.146 Revised Code of Washington.

BY: _____
Signature of Authorized Official Date

Printed name of Authorized Official Title

MORTGAGE BROKER COMPANY INFORMATION FORM (CONTINUED)

The following attachments must be provided in the order listed. Applications will be deemed incomplete without this information. Either a check-mark or “N/A” for “not applicable” should be placed next to each item on this form. A check-mark indicates that the item is attached. Each attachment should be a separate labeled page.

- Be sure the same information (i.e. company name, SSN, etc.) matches everywhere it appears.
- After your license is issued, remember to notify us with significant changes (i.e.: address, ownership, business structure, designated broker, etc.) in your business.
- Before closing your business, contact this office for instructions.

ADDENDUM A – OWNERSHIP

Provide information on all business relationships, including sole proprietors. The list(s) should include a list of owners, including sole proprietors and their percent of ownership, other interests owned by each stockholder, parent companies, affiliates, and subsidiaries of the applicant. Include company names, addresses, telephone numbers, and contacts. Provide a brief description of each relationship. To help us in our review, **please be sure this addendum answers these questions:**

- (1) Who owns this company? (owners, stockholders, partners, proprietor and spouse)
- (2) What percent does each person own? (10% or more is a “principal”)
- (3) Does any “principal” own 10% or more in any other business? (this is an “affiliate”)
- (4) Who controls this company? (officers, directors, other than owners)

ADDENDUM B – PERSONNEL

Provide a list of all personnel, by location. Include name, position or title, and indicate if the person is an employee (receives a W-2 form) or is an independent contractor (receives a 1099 form).

ADDENDUM C – INDEPENDENT CONTRACTORS

If you do not intend to engage the services of independent contractors as loan originators, this addendum does not apply.

- (1) For each loan originator who is a 1099 independent contractor, complete the Independent Contractor Agreement enclosed, to serve as the “binding written agreement” in compliance with RCW 19.146.200.
- (2) The licensed mortgage broker's bond must be the specific form covering “independent contractors.” Refer to RCW 19.146.200 and Addendum S. [See IC Bond form enclosed]

ADDENDUM D – REGISTERED AGENT

Please provide the name, address, phone number, social security number, and date of birth of the individual named as registered agent.

- (1) If your office is outside the borders of Washington State, you *must* maintain a registered agent inside Washington.
- (2) If your office is within the borders of Washington State, the use of a registered agent is *optional* (*your office staff may serve as registered agent*). If your company has used a registered agent when filing with other Washington state agencies, please provide this office with information about *that* registered agent.

ADDENDUM F – WHOLESALE LENDERS

List the name, address, and telephone number of all lenders with whom the applicant has established a written correspondent or loan brokerage agreement. If you have not yet established such agreements, provide a list containing the lenders with whom you intend to apply.

ADDENDUM G – THIRD PARTY SERVICE PROVIDERS

_____ List the name, address, and telephone number of all third party providers (eg: appraisers, escrow agents; inspectors, etc.) that you have used within the last six months. If you have not used any, provide a list containing the providers whom you intend to use in the future.

ADDENDUM H – MASTER BUSINESS LICENSE

_____ Please contact the Washington State Department of Licensing, Business and Professions Division (360)902-3600, to apply for the applicant's Washington State Master Business License. A copy of this document is **not** required with your application. DFI will verify with the Department of Licensing that the applicant has registered.

ADDENDUM I – CERTIFICATE OF EXISTENCE/AUTHORIZATION

_____ If a corporation, partnership, or LLC, please contact the Washington Secretary of State, Division of Corporations, (360)753-7115, to register company. A copy of this document is **not** required with your application. DFI will verify with the Secretary of State that the applicant has registered.

ADDENDUM K – DESIGNATED BROKER

_____ The applicant must appoint a Designated Broker who, (i) has at least two years of experience in the residential mortgage loan industry **or** has completed the educational requirements established by rule of the director **and** (ii) has passed a written examination whose content shall be established by rule of the director. Your "Designated Broker" must be on-site at the applicant's main licensed location for serving Washington consumers.

- (1) Identify the Designated Broker who satisfies this section, and enclose a complete employment history.
- (2) Provide **either** a copy of the certificate of completion of education requirement **or** evidence to corroborate two years full time experience. Information about the approved Designated Broker educational course(s) is enclosed. Acceptable support for experience may be: W-2 forms, 1099 forms, full corporate tax returns (if they were signed by the designated broker), or a letter, on letterhead, from an entity (ie: wholesale lender) to whom the individual has brokered loans for a period of two years, acknowledging that such experience existed. **NOTE: Schedule C of 1040 tax returns is not considered acceptable experience support.**
- (3) Include a copy (not original) of the certificate of completion for the written examination. The registration form for the test is included in this application package. The certificate of completion (score) will be delivered at the test.

ADDENDUM M – TRUST ACCOUNTING

_____ Please complete **one** of the enclosed Trust Account certificates:

- (1) Use a "Certificate of Compliance and Authorization to Examine Trust Accounts" form for each trust account established by the applicant. The trust account must be in Washington State. The applicant is to complete the top portion of the verification, and have the bank complete the bottom portion. If the applicant is unable to establish a trust account prior to the issuance of a license, provide a statement indicating that no deposits have been accepted from borrowers. Upon receipt of any customer funds, you must immediately establish a trust account and forward the Certificate of Compliance and Authorization to Examine Trust Accounts form to the Department. A conditional interim license may be issued contingent upon receipt of the trust certificate within a specified time frame.
- (2) If you intend to NEVER accept monies from borrowers or on behalf of borrowers for the payment of third party service providers, you may complete the "Alternative Certificate of Compliance."

ADDENDUM N – PRIOR DISCIPLINARY ACTION

- (1) Has the applicant or any of its principals or the designated broker had a license issued under this chapter or any similar state statute in another state? If yes, provide a listing of license type & number, issued by what jurisdiction, and dates valid.
- (2) Has the applicant or any of its principals or the designated broker had any other professional or regulated (eg: real estate sales, insurance, securities, etc.) license issued in any jurisdiction? If yes, provide a listing of license type & number, issued by what jurisdiction, and dates valid.
- (3) Has the applicant or any of its principals or the designated broker been subject to any administrative or disciplinary action (including but not limited to license suspended or revoked), by any jurisdiction, within five years of the filing of this application? If yes, please attach details.

MORTGAGE BROKER COMPANY INFORMATION FORM (CONTINUED)

ADDENDUM O – CIVIL LITIGATION

Is the applicant, or any of its principals or designated broker, presently involved in any form of civil litigation? If yes, please provide details.

ADDENDUM P – REFERENCES FROM OTHER STATES

If the applicant or any affiliate or the designated broker, is or has ever been licensed to engage in any mortgage related business in another state, follow these instructions:

- (1) Provide a list of all states in which you are or were licensed. This list should include: name of licensee; type and number of license; name, address, phone, fax, and contact person of the regulatory entity issuing the license. Enclose a copy of the license issued by that state.
- (2) Distribute the enclosed Reference Form:
 - a) Type your company name and the type of license (from that state) on line marked “applicant name”.
 - b) Also note that state’s license number, or file number assigned to your company, to aid the regulatory agency in responding with accurate reference information.
 - c) Send a copy of the form to the regulatory entity in each state where you are licensed to conduct business.
 - d) Provide each state with a pre-stamped envelope addressed to:
Department of Financial Institutions
Division of Consumer Services
Post Office Box 41200
Olympia, WA 98504-1200

ADDENDUM Q – APPLICATION DEPOSIT

Each applicant will be billed an hourly rate for investigation and review time associated with processing the application. An initial deposit in the following amount must accompany the completed application package. Please make checks payable to “Washington State Treasurer.”

First “main office” Location: \$371.60

Each additional “branch office” location: \$185.80

ADDENDUM R – INDIVIDUAL INFORMATION

- (1) Complete a separate Individual Background Form (IBF) for each person holding a position listed at the top of the form.

Those individuals holding positions of control (indicated with an * on the IBF) must also provide :

- (2) A personal credit report, including a public records search, prepared by a recognized independent credit reporting agency.
- (3) Two fingerprint cards. Use the “FBI applicant” card format, available at most municipal law enforcement agencies. Blank fingerprint cards are also available from DFI upon request. The prints must be taken by a qualified law enforcement official, and all information on the card must be legible:
 - a) Complete **all** of the descriptive information on the front of each card.
 - b) In the box entitled “Employer and Address” print:
Department of Financial Institutions
Mail Stop 41200
 - c) In the “Reason Fingerprinted” box print:
Mortgage Broker License RCW 19.146.205
 - d) Print the mortgage broker company name on the back of the card in the upper right hand corner.

MORTGAGE BROKER COMPANY INFORMATION FORM (CONTINUED)

ADDENDUM S – SURETY INSTRUMENT

RCW 19.146.205(3)(a) requires each applicant to file and maintain a surety bond, in an amount between \$60,000.00 and \$20,000.00. (NOTE: When adding a **Branch Office** to a previously licensed company, you may need to obtain a rider from your surety agent to increase the penal sum of the bond.)

(1) **Calculate Minimum Coverage**

Read WAC 208-660-080 before completing the enclosed Calculation of Average Number of Loan Originators work sheet. Use the results of the work sheet to determine the minimum amount of surety to submit with your application packet. Do not submit this work sheet with your application packet. Keep the work sheet in your files, updated yearly, as instructed in the rules.

(2) **Surety Bond**

Those applicants submitting a bond must use one of the enclosed bond forms. Note that the forms differ based on whether your loan officers are W-2 employees or 1099 independent contractors. Only bonds issued by a surety company authorized to transact surety business in Washington State will be accepted. The address on the bond must be the physical location of the applicant's first ("main") licensed location. The bond must be signed by both the applicant representative and the surety representative, with a valid power of attorney form attached. Note: the information provided on the face of the bond must be accurate or the bond will be rejected as invalid. **The original, signed and sealed document must be submitted to the Department.**

(3) **Alternatives to the Surety Bond**

- a) **Assignment of a Certificate of Deposit:** The assignment must be on the form provided in this application package. All information must be complete and accurate. Please note the terms outlined on the form under which the assignment will be released. The top portion should be completed by the mortgage broker, the bottom portion is to be completed by the bank representative, and their signature notarized.
- b) **Irrevocable Letter of Credit:** Please review the section of the rules (WAC 208-660-08005) entitled Alternatives to the Surety Bond carefully. Contact your bank to obtain an irrevocable letter of credit. Your bank may choose to fax draft language for approval by the Department, prior to final signatures.

ADDENDUM T – RECORDS LOCATION

Pursuant to WAC 208-660-140(2) all books and records must be kept in a location in this state that is readily accessible to the department. However, a mortgage broker may store its books and records outside the state with the prior approval of the director, and after executing a written agreement with the director. If the records will be kept at a location outside the State of Washington, complete the enclosed "Approval to Maintain Records Out of State" form.

SIGNATURE AND OATH OF APPLICANT

This form must be completed by a corporate officer who is a vice president or above, controlling member of an LLC, managing partner of a partnership, or the owner of a sole proprietorship.

I hereby swear and affirm that the information contained herein and attachments hereto are true and correct to the best of my knowledge. Further, the provisions of Revised Code of Washington 19.146 and Regulations promulgated by the Department of Financial Institutions in furtherance of such Code provisions and contained in Washington Administrative Code have been reviewed by the principals and responsible parties of the applicant as listed herein, and all employees and independent contractors of the applicant will be made aware of such laws and regulations and changes enacted hereafter. This application is submitted in furtherance of the applicant's desire to obtain from the Director of the Washington Department of Financial Institutions, a license to engage in the business of a mortgage broker, as defined in chapter 19.146 RCW. Any false statement or omission of material information in connection with this application shall be punished as provided by law and may subject the applicant to denial of a license or the revocation of any license granted.

BY:

Signature of Authorized Official

Print Applicant Company Name

Printed name of Authorized Official

Title

Date